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Criminal Charges Filed Against Two Men for Securities Fraud

An investigation conducted by the Utah Division of Securities has led to criminal charges filed by the Utah Attorney General's Office against Thomas Mark Swensen and Nikitis A. Mangeris. Based upon the Affidavit of Probable Cause filed in Fifth District Court, the two defendants controlled the entity Heal Alliance, Inc., which has 41 investors who invested \$275,750 in cash plus other assets valued at \$750,000. Documents also reveal that during 2001-2002, Swensen was investigated and fined by the Division of Securities for violations of the Utah Securities Act involving two other entities. The Stipulations and Consent Orders signed by Swensen for these violations forbid him from selling securities without prior written consent from the Division. Written approval for the sale of Heal Alliance shares to the public was never obtained.

Securities investigators allege Swensen failed to properly disclose his previous securities Consent Orders to investors as well as to owners of Energy Images, a Cedar city based mineral and water bottling company acquired by Heal. In addition, court documents state that Swensen and Mangeris enticed senior citizen Ray Stapley of Cedar city, Utah to mortgage his home and loan the money to Heal for the purpose of acquiring Turning Point Technologies. Mr. Stapley agreed to the loan when he was promised it would be fully secured with assets obtained from the acquisition. He was told his monthly investment returns would allow him to raise his standard of living. The two defendants assisted Stapley in obtaining the loan for \$147,000. Securities investigators also allege that Swensen and Mangeris solicited Stapley a second time for additional money. Stapley was told that the acquisition price to acquire Turning Point had increased; consequently, if he didn't obtain more funds his initial investment would be lost. Stapley obtained an additional \$103,000 and gave it to Heal.

Securities investigators claim that some of the assets, that collateralized Stapley's loans, were nearly worthless. Furthermore, the purchase price of \$250,000 for Turning Point was a fraudulent misrepresentation to Stapley—the actual price was \$115,500. Investigators also discovered that Heal is in default of this acquisition because Turning Point has only been paid \$85,000. Bank records indicate that some of Stapley's funds were used to pay the defendant's salaries, which was never disclosed.

Court documents reveal the criminal charges against Mr. Swensen include 3 counts of Securities Fraud, 2 counts of Securities Fraud/ or in the alternative Theft, 1 count of Sale of an Unregistered Security and 1 count of Racketeering. Criminal charges against Mr. Mangeris include 1 count of Securities Fraud, 1 count of Securities Fraud/or in the alternative Theft, 1 count of Sale of an Unregistered Security and 1 count of Racketeering. All charges are second degree felonies in the state of Utah except the Sale of an Unregistered Security which is a third degree felony.

For additional information, please contact the Utah Division of Securities at (801) 530-6600.